MT LEGISLATIVE HISTORY

Chapter 692 1979

Bill H _____ (S) 463 Original bill & hist. ___C

H. Committee on Taxation

Hearing Date(s) April ✓C
April 9 ✓C
_____ ___C
_____ ___C

Date Out April 9 ✓C

S. Committee on Taxation

Hearing Date(s) Feb 20 ✓C
March 15 ✓C
_____ ___C
_____ ___C

March 15 ✓C

Did this bill originate in an interim committee? ___Yes ___No

Committee _____ Report _____

46th LEGISLATIVE SESSION

COMMITTEE ON TAXATION

SENATE BILL NO.	ENTERED COMM.	DATE CONSIDERED	OUT OF COMM.	DO PASS DATE	DO NOT PASS DATE	DO PASS AS AMEND. DATE	BE CONCURRED IN DATE	BE CONC. IN AS AMENDED DATE	BE NOT C CURRED I DATE
384	2/6	2/14	3/24			3/24			
389	2/6	2/13	3/8			3/8			
392	2/6	2/13	3/16	3/16					
401	2/7	2/15	3/8	3/8					
402	2/7	2/14	TABLED	3/14					
405	2/7	2/15	TABLED	3/14					
413	2/7	2/16	3/8		3/8				
415	2/8	2/16	2/17			2/17			
416	2/8	2/16	2/16			2/16			
430	2/9	2/20	TABLED	3/3					
433	2/10	2/23	TABLED	3/16					
438	2/10	2/20	3/16		3/16				
445	2/10	2/23	3/10		3/10				
459	2/12	2/19	2/19	2/19					
463	2/12	2/20	3/15			3/15			
477	2/12	2/17	3/9			3/9			

(Use Separate Sheet for Senate, House Bills, and Resolutions)

LC 1154/01

Senate BILL NO. 463

INTRODUCED BY Halstead Mussman Pinsoneault Stephens
Underdal Galt Roth Iverson Eckhart Olson Nelson
Lynch Ellerd Hoffman

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE A COUNTY MILL LEVY FOR DISTRICT COURT COSTS; ALLOWING THE SUPREME COURT TO MAKE EMERGENCY ASSISTANCE GRANTS TO DISTRICT COURTS; AND PROVIDING APPLICATION AND ADMINISTRATIVE PROCEDURES FOR THESE GRANTS."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. County levy for district court expenses -- budget. (1) The governing body of each county may each year levy and collect a tax not to exceed 2 mills on the taxable property of the county for all district court costs, except those listed in 3-5-211, 3-5-213, and 3-5-215. These expenses include but are not limited to salary and benefits for court clerks, court reporters, youth probation officers, and other employees of the district court.

(2) As soon as the preliminary budget provided for in 7-6-2315 has been agreed upon by the governing body, a copy shall be transmitted to the district court. At any time before the final adoption of the budget, the district court may make recommendations for changes in any part of the budget relating to the court considered necessary for the court to discharge its obligations under the law.

(3) No part of the district court fund may be used directly or indirectly for the construction or improvement of any county building so long as the fund is needed for district court activities.

Section 2. State grants to district courts -- procedure. (1) The supreme court may make grants from its funds to district courts for emergency assistance, as provided in this section.

(2) The district court may apply to the supreme court for a grant when the following conditions occur, by filing a written report in the supreme court stating:

(a) that the court will not be able to meet its statutory obligations with the funds authorized under the county budget;

(b) that all lawful sources of income to the district court fund have been exhausted;

(c) that all expenditures from the district court fund have been lawfully made; and

(d) any other information required by the supreme court.

(3) Within 10 days of receipt of the application, the supreme court shall consider whether the conditions in subsection (2) have been met. If the conditions have been met, the supreme court shall give notice to the district court and the county commissioners of its intention to allow

the grant.

(4) Within 10 days of receiving notice from the supreme court that a grant will be made, the district court shall adopt an emergency budget and transmit it to the county governing body and the supreme court.

(5) After approving the emergency budget, the supreme court shall cause a warrant to be issued to the treasurer of the county in which the district court is located for the total amount stated in the approved emergency budget.

(6) The grant received by the county shall be placed in an emergency fund account to be kept separate from the district court fund.

(7) After depleting the district court fund, the county treasurer may make disbursements from the emergency fund account. At the close of its fiscal year, the county treasurer shall return to the supreme court any amounts remaining in the emergency fund account.

-End-

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

February 20, 1979

The thirty-second meeting of the committee was called to order on the above date in Room 415 of the State Capitol Building by Chairman Turnage.

ROLL CALL: Roll call found all the members present. Witnesses giving testimony are listed on the attached Register.

CONSIDERATION OF SENATE BILL 463: Senator Kolstad said his bill would set an upper limit if a county has to pay for district court costs. He said it has been required that each county pay its own costs and in some cases, he stated, the costs are extraordinarily high, resulting in a per capita cost of over $14.00 in one particular case. This was very high, he believed, and his bill would levy up to 2 mills on taxable property to help pay the court costs. Mr. Zinnecker spoke also as a proponent and said in cases where a lengthy, costly trial is held, such a trial could bankrupt one of the smaller counties.

Speaking also as proponents were Mr. Anderson and Mr. Skaalure who stated their agreement with previous testimony. Senator Kolstad inquired for other proponents and distributed a chart showing present mill levy values, budgets for district courts for 1977 and mills being used for the budgets, see Exh. #1, attached. A question was raised concerning the Fiscal Note accompanying the bill, on the Full Time Employees' wages budgeted for. It was explained by Mr. Abley of the Supreme Court office that the FTE's would be needed when the Court reviewsthe county budgets for the coming year.

There followed discussion on the levies of the various counties; hearing on SB463 then closed.

CONSIDERATION OF SENATE BILL 438: Senator Smith said his bill freezes appraised value of land and improvements shown on assessment rolls as of January 1, 1977. The property would not be reappraised unless there was a substantial change in use or if there were improvements; taxable percentages for land and improvements used prior to reappraisal would be reinstated.

Following his presentation the Chairman asked for further proponent testimony, and there being none, heard the opponents. Mr. Zinnecker spoke first and said the association he represents is neither for nor against but he felt a closer look should be taken at the bill as the legislation would affect the General Fund. Mr. Nelson also spoke on the bill, opposing it, as did Mr. Burr of the Department of Revenue. He felt under this legislation the idea of the 'welcome neighbor' would be in effect and most property at 1972 or older would stay at old values whereas the new houses would go on at current market value. Mr. Hunter too felt the welcome neighbor concept would be in effect and felt it to be inequitable. Senator Smith made a brief closing statement.

ROLL CALL

SENATE TAXATION COMMITTEE

46th LEGISLATIVE SESSION - 1979

NAME	PRESENT	ABSENT	EXCUSED
SEN. GOODOVER (Vice Chairman)	✓		
SEN. BROWN	✓		
SEN. HAGER	✓		
SEN. MANLEY	✓		
SEN. MANNING	✓		
SEN. McCOLLUM	✓		
SEN. NORMAN	✓		
SEN. ROSKIE	✓		
SEN. SEVERSON	✓		
SEN. TOWE	✓		
SEN. WATT	✓		
CHAIRMAN TURNAGE	✓		

Each Day Attach to Minutes.

DATE FEB. 20, 1979

COMMITTEE ON TAXATION

SEN.

BILL - 438, 463, 507, 510 VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One: Support
[illegible]		[illegible]	[illegible]
Connie Shundall		510	✓
JC Shundall		510	✓
Ray Iram		507	✓
Russ Dewark		507	✓
Sam Ritter		507	✓
Mike Ables	Supreme Court	463	
Antone L. Carda		507	✓
Frank Stasiowski		507	✓
David McMillen		507	✓
Sheril Henderson		507	✓
Neil Henderson		507	✓
Pat McMillen		507	✓
Dean Zinnecker	Mt. Assn of Counties	463	✓
Larry Graham	Liberty Co Comm	463	✓
Ruth L. Gradovic	Chouteau County	463	✓
Christine (Tina) Torgerson		510	✓
Jeff Lail	Dept of Revenue		
Ed Nelson	Mont. Taxpayers Assoc		
DAROLD BAUER	Billings Chamber		
Zach Stevens	Farm Bureau	507	✓
Marjorie Adams	League of Women Voters	463	

f 1977

Ex. #1

Form 4256 Counties

State Publishing Co.
Helena, Montana

	1977 District Court Budget	Value of 1 mill-1977	Mills for District Crt.
Beaverhead	$66,180.00	$16,811.00	3.93
Big Horn	68,657.00	54,333.00	1.26
Blaine	65,061.00	19,358.00	3.36
Broadwater	26,543.00	6,660.00	3.98
Carbon	53,407.00	19,600.00	2.72
Carter	45,780.00	7,681.00	5.96
Cascade	424,244.00	91,805.00	4.62
Chouteau	52,757.00	24,794.00	2.12
Custer	83,621.00	18,875.00	4.43
Daniels	29,878.00	7,390.00	4.04
Dawson	76,442.00	20,135.00	3.79
Deer Lodge	108,584.00	19,424.00	5.60
Fallon	53,635.00	37,964.00	1.41
Fergus	100,631.00	23,334.00	4.31
Flathead	276,466.00	63,152.00	4.37
Gallatin	222,906.00	48,317.00	4.61
Garfield	25,930.00	6,906.00	3.75
Glacier	80,354.00	31,293.00	2.56
Golden Valley	14,066.00	4,050.00	3.47
Granite	31,061.00	5,466.00	5.68
Hill	118,422.00	30,135.00	3.92
Jefferson	46,362.00	9,143.00	5.07
Judith Basin	32,196.00	9,553.00	3.37
Lake	79,810.00	23,087.00	3.45
Lewis and Clark	304,756.00	50,929.00	5.98
Liberty	19,890.00	11,555.00	1.72
Lincoln	75,619.00	20,976.00	3.60
Madison	49,442.00	15,277.00	3.23
McCone	31,799.00	10,519.00	3.02
Meagher	14,150.00	5,313.00	2.66
Mineral	18,145.00	4,334.00	4.18
Missoula	233,807.00	87,898.00	2.65
Musselshell	21,944.00	16,255.00	1.34
Park	67,383.00	16,467.00	4.09
Petroleum	8,848.00	2,832.00	3.12
Phillips	43,638.00	13,049.00	3.34
Pondera	79,409.00	19,425.00	4.08
Powder River	56,237.00	76,083.00	.73
Powell	61,375.00	10,209.00	6.01
Prairie	21,884.00	5,644.00	3.87
Ravalli	69,957.00	21,291.00	3.28
Richland	64,359.00	34,529.00	1.86
Roosevelt	70,570.00	22,889.00	3.08
Rosebud	141,931.00	86,650.00	1.63
Sanders	36,057.00	17,657.00	2.04
Sheridan	56,278.00	18,701.00	3.00
Silver Bow	205,220.00	51,964.00	3.94
Stillwater	39,165.00	11,836.00	3.30
Sweet Grass	26,591.00	6,953.00	3.82
Teton	66,047.00	17,019.00	3.88
Toole	80,848.00	22,411.00	3.60
Treasure	13,854.00	3,925.00	3.52
Valley	76,678.00	20,260.00	3.78
Wheatland	23,977.00	5,294.00	4.52
Wibaux	33,729.00	8,237.00	4.09
Yellowstone	467,580.00	150,826.00	3.10

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

March 15, 1979

The forty-ninth meeting of the committee was called to order on the above date in Room 415 of the State Capitol Building for an executive session, Chairman Turnage presiding.

ROLL CALL: Roll call found all the members present.

The committee discussed SB173 by Senator Rasmussen and after several questions agreed that people who are concerned over their household expense should be able to take care of their fuel bill, and to insulate their homes, by themselves, without the incentive of a tax credit, as SB173 would provide.

Senator Manley Moved SB173 Do Not Pass. A roll call vote was taken which resulted in a tie vote.

Next up for their reconsideration was SB231. Following brief discussion, the bill was moved:

Senator Goodover Moved SB231 Do Not Pass. Motion carried.

SB249 was then discussed. Senator Towe explained the impact of this legislation which is a 'piggy back' bill for state income tax, and calls for a percentage of the tax paid to the Federal government. In original presentation of the bill one of the co-sponsors, Senator Himsl, pointed out this would simplify the tax returns for Montana citizens in preparing their state income tax forms.

Senator Towe Moved to Amend SB249 by changing the percentage from 27.5% to 26.5%. His motion carried.

Senator Towe then Moved SB249 As Amended Do Pass. A roll call vote failed by a 3-9 margin. Without objection it was ruled the vote be reversed on motion by Senator McCallum for a Do Not Pass, thus the vote will go out with adverse Committee Report on 9-3 roll call vote.

A number of amendments were then introduced for SB463. These were discussed by the committee and motions by Senators McCallum and Towe were voted on and adopted by the committee, which then moved the bill.

Senator Towe then Moved SB463 As Amended, Do Pass. The motion carried unanimously.

Senator Watt's SB285 was next up for discussion. One of the problems was the definition of manufacturing as interpreted by the Department of Revenue. The production of electricity, from coal-produced energy into electricity, was debated as to whether or not such a process was manufacturing. The committee discussed the impact of new industries and felt some of them should qualify under SB285. Many new industries create new jobs and increased tax base for the area

could reorganize and move to another part of the state and then qualify again for the 3-year tax credit. Following discussion the commitee voted on the bill:

Senator Watt Moved SB285 Do Pass. A roll call vote was taken and this resulted in a 5-6 failed vote.

Senator Roskie then introduced some testimony concerning the Special Improvement and Rural Improvement District Bond bills the committee has recently considered. The testimony was presented by the Corporate Counsel for D.A. Davidson & Co., bonding firm, see Exh. #1, attached. The committee accepted the testimony, and following discussion, meeting was adjourned.

Jean A. Turnage

JEAN A. TURNAGE - CHAIRMAN

Date 1/25/1979

ROLL CALL

SENATE TAXATION COMMITTEE

46th LEGISLATIVE SESSION - 1979

NAME	PRESENT	ABSENT	EXCUSED
SEN. GOODOVER (Vice Chairman)	✓		
SEN. BROWN	✓		
SEN. HAGER	✓		
SEN. MANLEY	✓		
SEN. MANNING	✓		
SEN. McCOLLUM	✓		
SEN. NORMAN	✓		
SEN. ROSKIE	✓		
SEN. SEVERSON	✓		
SEN. TOWE	✓		
SEN. WATT	✓		
CHAIRMAN TURNAGE	✓		

Each Day Attach to Minutes.

SENATE

STANDING COMMITTEE REPORT

March 15 1979

MR. President

We, your committee on Taxation

having had under consideration Senate Bill No. 463

Respectfully report as follows: That Senate Bill No. 463,
introduced bill, be amended as follows:

1. Title, lines 5 and 6.
Following: "THE"
Strike: "SUPREME COURT"
Insert: "DEPARTMENT OF ADMINISTRATION"

2. Title, line 8.
Following: "GRANTS"
Insert: "; PROVIDING FOR A PERIOD OF APPLICABILITY"

3. Page 1, line 13.
Following: "exceed"
Strike: "2"
Insert: "3 1/2"

4. Page 2.
Following: line 1
Strike: "directly or indirectly"
Insert: "for any other purpose or"

DO PASS

(continued)

5. Page 2, lines 3 and 4.
Following: "building"
Strike: "so long as the fund is needed for district court activities"

6. Page 2, line 6.
Following: "The"
Strike: "supreme court"
Insert: "department of administration"

7. Page 2, line 7.
Following: "to"
Insert: "the governing body of a county for the"

8. Page 2, line 9.
Following: "The"
Strike: "district court"
Insert: "governing body of a county"
Following: "the"
Strike: "supreme court"
Insert: "department of administration"

9. Page 2, line 11.
Following: "report"
Strike: "in the supreme court"

10. Page 2, line 16.
Following: "made;"
Strike: "and"

11. Page 2.
Following: line 18
Insert: "(d) that no transfers from the district court fund have been or will be made to any other fund;
(e) that no expenditures have been made from the district court fund that are not specifically authorized by [section 1]; and
Reletter: subsequent subsection

12. Page 2, lines 19 and 20.
Following: "the"
Strike: "supreme court"
Insert: "department of administration"

13. Page 2.
Following: line 21
Strike: "lines 22 and 23 through "court" on line 24
Insert: "department of administration"

14. Page 2, line 25.
Following: "county"
Strike: "commissioners"
Insert: "governing body"

(continued)

Chairman.

STATE PUB. CO.
Helena, Mont.

March 15 19 79

15. Page 3.'
Following: line 2
Strike: "supreme court"
Insert: "department of administration"

16. Page 3, line 5.
Strike: "and the supreme court"

17. Page 3, line 6.
Following: "After"
Strike: "approving"
Insert: "receiving notice of the county governing body's approval of"
Following: "budget, the"
Strike: "supreme court"
Insert: "department of administration"

18. Page 3, line 16.
Following: "the"
Strike: "supreme court"
Insert: "department of administration"

19. Page 3.
Following: line 17
Insert: "Section 3. Sunset provision. This act and the authority granted therin shall terminate June 30, 1983."

And, as amended
DO PASS

HOUSE TAXATION COMMITTEE

46th Legislature

Bill No.	Subject Matter	Date In	Sponsor	Hearing Date	Committee Action	Date O
SB 99	To authorize the DoR to buy, import, and sell table wine.	2/19	Goodover	4/3	AS AMENDED BE CONCURRED IN	4/16
SB 182	Allocate yearly increases in oil & gas severance tax collected to the local governments in the county from which tax was collected; correcting erroneous reference to ~~oil producer's license tax.~~	2/20	Thiessen	3/1	AS AMENDED BE BE CONCURRED IN	4/13
SB 416	Remove requirement tax be paid on diesel & volatile liquids when used in connection with public contracts for any highway improvements or street appurtenances.	2/22	Towe	4/3	BE NOT CONCURRED IN	4/10
SB 415	To require the DoR to waive special fuel dealer's or user's bond requirement upon application of a licensed public contractor.	2/23	Bob Brown	4/3	BE CONCURRED IN	4/10
SB 463	To provide a county mill levy for district court costs; allowing the supreme court to make emergency assistance grants to district courts & providing application & administrative procedures for these grants.	3/27	Kolstad	4/6	BE CONCURRED IN Returned to Committee - 4/11	4/9

HOUSE TAXATION COMMITTEE

46th Legislature

The committee was called to order on April 6, 1979, at 8:30 a.m., in room 434, Capitol Building, Helena, by Chairman Herb Huennekens. All members attended the hearing except Rep. Fagg who was absent. Randy McDonald, Staff Attorney was present.

Senate bills 67, 174, 463, 248, and Senate Joint Resolution were to be heard.

Senator Kolstad, Senate District #5, Chester, explained SB 463 establishes the upper limit each county must pay for district court costs. It requires each county to pay up to 3 1/2 mills for their district court costs; will establish a grant-in-need program for district courts for small counties that experience major court costs. Stillwater County will exceed their $40,000 district court budget on one case, the Cox case. The first 3 1/2 mills of their district court costs would be paid by the counties, and the remaining cost would be paid by the state. The money would be used for court costs only, not construction of buildings. This would preclude counties from going broke should they have other big cases.

SENATE BILL 463

Dean Zinnecker, Director of the Montana Association of Counties, commented the district court is the major trial court in the State of Montana. It is a state court, but it is paid for by the county. The state pays the district judges' costs, and over the judges' costs any additional are paid for by the county. At 3 1/2 mills it will cost the state $.5 million based on the 1977 court budgets. The Rosebud trial would have cost $48 per capita, up from $9. There are tremendous inequities in counties when the county is required to pay. Something must be done to protect counties from these major costs.

There were no opponents.

Senator Kolstad closed saying he hoped the committee will take favorable action.

Rep. Dassinger asked how the 3 1/2 mill figure was arrived at. Senator Kolstad said they started with 2 mills and decided to raise it.

Rep. Underdal mentioned the McKenzie trial costs have been an extremely expensive thing in Pondera County and this bill will preclude any such burden in any other county in any one year.

Senator John Manley, District #14, Drummond, sponsor of SB 67, said this bill is called the Sprinkler Bill, but they are trying to change the terminology to "Irrigation Bill" but seem to be stuck with Sprinkler Bill nomenclature. There is a lot of interest in this bill mostly by the people who are changing from flood irrigation and putting new ground into sprinkler irrigation. Taxes on the equipment should be realized through reclassification of the land.

The Department of Revenue is reappraising the ground and then also taxing the irrigation facility in which any ditches or other old-style ways of irrigation

Rep. Huennekens said this makes a ratio of 8 1/2 to 12. Rep. Lien said want to go from 10 to 18% on sewer and water. Rep. Reichert said the main purpose of SB 306 was because something was forgotten in HB 70 last session.

Mr. Mizner said it makes for the same amount of dollars of allowable bonding indebtedness. Motion to amend was adopted. Reps. Bertelsen, Robbins, Gilligan, Harrington, Burnett were absent.

Motion that SB 306 BE CONCURRED IN AS AMENDED succeeded with same members absent as for amendment.

SENATE BILL 463 - Rep. Hirsch moved SB 463 BE CONCURRED IN. Rep. Dassinger proposed an amendment to change to 4 mills instead of 3 1/2 mills. Motion failed on voice vote. Rep. Reichert said this bill is to provide for the state to help counties with a disastrous court trial. Rep. Dassinger said it depends upon how much you want the state to come into local affairs. This bill was not intended to take care of a large county that can help itself. This is for a small county that doesn't have much tax base. He thinks people should be allowed to run their own affairs. Let the county attorney take care of local affairs. Rep. Lien disagrees. (Rep. Robbins came in)

Rep. Huennekens thinks the department of administration is given a lot of power on making these grants. Maybe there should be guidelines more specific than appear on line 2. Seems to be room for abuse of power.

Mr. Zinnecker said the county will propose amount due - audit of funding will be included in the community affairs budget.

Rep. Nordtvedt said if big cases get to be an added burden hereafter, the state will start to help out. One case came up pretty close to 4 mills. Rep. Reichert was confused about the two fiscal notes on this bill. (Rep. Harrington came in)

Motion that SB 463 BE CONCURRED IN succeeded. Rep. Dassinger voted No; Reps. Gilligan and Burnett were absent.

SENATE BILL 142 - Rep. Fabrega moved SB 142 BE CONCURRED IN. Rep. Fabrega explained the department of revenue at the present time thinks that the 1976 commercial valuation manual and the 1972 residential manual they use for residential property fall within the same percentage. So if you take the average valuation in relationship to market value which is about 55% at 8.55%, that is the same figure as if you took 5% of the market value. If that amount is less than the taxable valuation shown by the department of revenue figures, a property owner would have a point of defense. As an example a house was sold for $85,000 that had been assessed at $80,000 - $80,000 x 55% = $4,200 which should not be bigger than $85,000 x .5% = $4,250. In this example $250 more than what is actually being charged by the department of revenue. This would let a property owner be able to figure what he should be having his taxable valuation based on. It is an impossibility to go up to 100% of true market value.

Rep. Huennekens explained this refers to residential property. This does not apply to industrial property as long as you are taxed equitably within a class. The real crunch is on the home owner. As long as taxation is equitable within a class it is equitable. This bill uses 'most current year value' - it is not specific enough in meaning. There should be some reference to 'current year true market value'. As far as a house is concerned, by getting a couple of appraisers to look at it and establish what it is worth, should prove its value. Would prefer 'current year true market value'.

Question was called and Chairman Huennekens called for a roll call vote on the motion of BE NOT CONCURRED IN. The motion carried 9 to 5. Those voting against were Reps. Johnson, Lien, Nordtvedt, Sivertsen and Underdal; absent were Reps. Bertelsen and Burnett, Gilligan and Harrington and Robbins.

SENATE BILL 306

Rep. Hirsch moved be concurred in. He also moved to amend on page 3, line 24, following "exceed" to insert "not to exceed 36%."

Rep. Fabrega said this will mean the total bonded indebtedness will be 36%--18% for sewer and water and 18% for other purposes.

Rep. Harrington moved to amend by striking the "10" and putting in "36." He said there would be no increase in bonded indebtedness. Motion carried unanimously with those present to accept the amendment.

Question was called on the bill and the motion of BE CONCURRED IN AS AMENDED carried unanimously with those present. Rep. Robbins had come so absent were Reps. Bertelsen, Burnett, Gilligan and Harrington. Rep. Robbins will carry.

SENATE BILL 463

Rep. Hirsch said their subcommittee recommended that this bill be concurred in. He so moved.

Rep. Dassinger suggesed the bill be amended to four mills as quite a few of the counties are over four mills. He said according to the arguements the intent is to keep some of these small counties from getting into a bad situation because of what happens in their counties. He moved this amendment.

Rep. Reichert said the purpose of the bill is for the state to help these counties by assuming more of the responsibility for district court cases.

Chairman Huennekens said justice is basically not a local function but a state function.

Rep. Dassinger said maybe we should go a little further and get rid of all county attorneys and let the state take over. The local people should be taking care of their local affairs. I believe these people want to take care of their own problems. I feel four mills would not be too high as some of these counties are paying that now and it is not breaking them.

Rep. Lien disagreed. He felt it should say "reasonable local effort" and then they should be able to apply for assistance.

Rep. Fabrega said he agreed with Mr. Dassinger. We have to set a level and from there on the state will act as the insurer.

Chairman Huennekens mentioned the Department of Administration is given a lot of power in making these grants and he was wondering if there should be guidelines more specific than appear in this bill.

Rep. Lien felt 3 or 3 1/2 mills would be better than four.

Action was taken on Rep. Dassinger's amendment and it failed. Question was then called on the motion of BE CONCURRED IN and this motion carried with Rep. Dassinger voting no, and the same absent as the last bill. Rep. Underdal will carry the bill on the floor.

SENATE BILL 142

Rep. Fabrega moved be concurred in. He said the committee had passed Chairman Huenneken's bill which set the 5% limitation for residential property and this would extend it to the other properties in the class--speak more directly to the total question. He said if you take the average evaluation of 57 1/2% times 8.55 you come up with the same as if you take 5% of the true market value. You should. If you don't and it is greater than 5% the taxpayer has the opportunity to appeal before the tax appeal board and this would make a good defense for him.

Chairman Huennekens said his concern was residential property as he felt the real crunch was on the homeowner. He felt a competitive advantage doesn't exist as long as all pay on the same basis. His bill has the term "current year true market value" and this bill says "most current value." He recommended this be changed in this bill to the same words as in his bill.

Rep. Fabrega said there would be no impacts except where properties are assessed over 100% of their market value. This just gives some recourse to the property owner. He moved to amend page 2, line 1, strike "most" and insert after "current" "year true market". This motion carried with Rep. Nordtvedt voting no and the same absent as previous bill.

Rep. Reichert expressed concern at having the industrial and commercial properties included with the residential.

As there still seemed to be questions Chairman Huennekens said action would be deferred until Mantz Hutchinson from the Department of Revenue came. He had been called.

SENATE BILL 303

Rep. Fabrega passed copies of an amendment. The amendment is on page 1, line 21. It would restore the language "with land they occupy". This was a drafting error made in the Senate Committee. A copy of this is attached. The staff attorney suggested including in this amendment the correcting of a typo on page 2, line 25, putting the "h" in the. Rep. Fabrega moved this amendment. The motion carried unanimously with those present.

Rep. Hirsch said he opposed the bill because he did not see why it should not be taxed. Why would you want the land to lay idle.

Chairman Huennekens asked if the bill allows commercially operated cemeteries to be exempt. He said nonprofit enterprises should not be exempt from taxes but charitable and educational should be exempt.

SENATE BILL NO. 463

INTRODUCED BY KOLSTAD, DUSSAULT, QUILICI, STEPHENS, UNDERDAL, GALT, ROTH, IVERSON, ETCHART, OLSON, NELSON, LOWE, ELLERD, HAFFERMAN

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE A COUNTY MILL LEVY FOR DISTRICT COURT COSTS; ALLOWING THE ~~SUPREME COURT~~ DEPARTMENT OF ADMINISTRATION TO MAKE EMERGENCY ASSISTANCE GRANTS TO DISTRICT COURTS AND PROVIDING APPLICATION AND ADMINISTRATIVE PROCEDURES FOR THESE GRANTS; PROVIDING FOR A PERIOD OF APPLICABILITY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. County levy for district court expenses -- budget. (1) The governing body of each county may each year levy and collect a tax ~~not to exceed 2 3-1/2 4 mills~~ on the taxable property of the county for all district court costs, except those listed in 3-5-211, 3-5-213, and 3-5-215. THE TAX MAY NOT EXCEED 6 MILLS IN THE FIRST- AND SECOND-CLASS COUNTIES, 5 MILLS IN THIRD- AND FOURTH-CLASS COUNTIES, AND 4 MILLS IN FIFTH-, SIXTH-, AND SEVENTH-CLASS COUNTIES. These expenses include but are not limited to salary and benefits for court clerks, court reporters, youth probation officers, and other employees of the district court.

(2) As soon as the preliminary budget provided for in 7-6-2315 has been agreed upon by the governing body, a copy shall be transmitted to the district court. At any time before the final adoption of the budget, the district court may make recommendations for changes in any part of the budget relating to the court considered necessary for the court to discharge its obligations under the law.

(3) No part of the district court fund may be used ~~directly or indirectly~~ FOR ANY OTHER PURPOSE OR for the construction or improvement of any county building ~~so long as the fund is needed for district court activities~~.

Section 2. State grants to district courts -- procedure. (1) The ~~supreme court~~ DEPARTMENT OF ADMINISTRATION may make grants ~~from its funds~~ to THE GOVERNING BODY OF A COUNTY FOR THE district courts for emergency assistance, as provided in this section. THE GRANTS ARE TO BE MADE FROM FUNDS APPROPRIATED TO THE DEPARTMENT FOR THAT PURPOSE.

(2) The ~~district court~~ GOVERNING BODY OF A COUNTY may apply to the ~~supreme court~~ DEPARTMENT OF ADMINISTRATION for a grant when the following conditions occur, by filing a written report ~~in the supreme court~~ stating:

(a) that the court will not be able to meet its statutory obligations with the funds authorized under the county budget;

(b) that all lawful sources of income to the district

REFERENCE BILL

court fund have been exhausted;

(c) that all expenditures from the district court fund have been lawfully made; and

~~(D) THAT NO TRANSFERS FROM THE DISTRICT COURT FUND HAVE BEEN OR WILL BE MADE TO ANY OTHER FUND;~~

~~(E) THAT NO EXPENDITURES HAVE BEEN MADE FROM THE DISTRICT COURT FUND THAT ARE NOT SPECIFICALLY AUTHORIZED BY [SECTION 1]; AND~~

~~(d)~~(E) any other information required by the ~~supreme court~~ DEPARTMENT OF ADMINISTRATION.

(3) Within 10 days of receipt of the application, the ~~supreme court shall consider whether the conditions in subsection (2) have been met. If the conditions have been met, the supreme court~~ DEPARTMENT OF ADMINISTRATION shall give notice to the district court and the county ~~commissioners~~ GOVERNING BODY of its intention to allow the grant.

(4) Within 10 days of receiving notice from the ~~supreme court~~ DEPARTMENT OF ADMINISTRATION that a grant will be made, the district court shall adopt an emergency budget and transmit it to the county governing body ~~and the supreme court~~.

(5) After ~~approving~~ RECEIVING NOTICE OF THE COUNTY GOVERNING BODY'S APPROVAL OF the emergency budget, the ~~supreme court~~ DEPARTMENT OF ADMINISTRATION shall cause a

warrant to be issued to the treasurer of the county in which the district court is located for the total amount stated in the approved emergency budget.

(6) The grant received by the county shall be placed in an emergency fund account to be kept separate from the district court fund.

(7) After depleting the district court fund, the county treasurer may make disbursements from the emergency fund account. At the close of its fiscal year, the county treasurer shall return to the ~~supreme court~~ DEPARTMENT OF ADMINISTRATION any amounts remaining in the emergency fund account.

SECTION 3. SUNSET PROVISION. THIS ACT AND THE AUTHORITY GRANTED THEREIN SHALL TERMINATE JUNE 30, 1983.

-End-

STATE OF MONTANA

REQUEST NO. 329-79

FISCAL NOTE

Form BD-15

In compliance with a written request received February 13, 19 79, there is hereby submitted a Fiscal Note for SB 463 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

Senate Bill 463 is an act to provide a county mill levy (maximum 2 mills) for District Court costs. If District Court operating costs exceed the 2 mill levy the Supreme Court will make emergency assistance grants from the state general fund to that county. The Supreme Court will develop application and administrative procedures for these grants.

FISCAL IMPACT:

49 counties would require additional funds over and above the 2 mill levy to operate District Courts. Since the cost figures used were one year older than the property value figures, some kind of an adjustment may be necessary. Indications are, however, that the Supreme Court will be making grants to counties at the approximate rate of $2.5 to $2.8 million per fiscal year.

Because of the large number of grant applications and large amount of funds involved, the Supreme Court will need an additional 2 FTE per fiscal year. These positions would be grade 12 accountants or budget analysts at an approximate salary of $14,000 year. These positions would also require operating expenses at their office in Helena and extensive travel funds enabling them to research and analyze individual budgets and need requirements at the local county level.

Additional cost of proposed legislation:	FY80	FY81
Personal services	$31,640	$33,900
Operating Expense	2,000	2,000
Capital Outlay	1,000	0
Total Expenditures proposed law	34,640	35,900
Expenditures under current law	0	0
Increased expenditures under proposed law	34,640	35,900
Add: Grants to counties	2,800,000	2,800,000
Total additional cost of proposed legislation	$2,834,640	$2,835,900

LOCAL IMPACT:

County expenditures for District Court operations should decrease by the same $2.5 to $2.8 million amount assumed by the state general fund.

COMMENTS:

District Court costs were obtained from the clerk and recorder in each county. The 2 mill levy revenue was calculated from FY79 figures obtained from the latest publication by the Montana Taxpayers Association.

Richard L. Strauss Jr.

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2/19/79